



South African Reserve Bank

From the Office of  
the Registrar of Banks

D2/2013

2013-03-18

**To: All banks, controlling companies, branches of foreign institutions, eligible institutions and auditors of banks or controlling companies**

**Directive 2/2013 issued in terms of section 6(6) of the Banks Act, 1990**

**Matters related to the liquidity coverage ratio**

#### Executive summary

On 1 January 2013 the amended Regulations relating to Banks (the Regulations), which include a framework for the calculation of banks' liquidity coverage ratios, were implemented.

The Office of the Registrar of Banks (this Office) hereby informs all relevant persons that on 7 January 2013 the Basel Committee on Banking Supervision (BCBS) issued revisions to the Basel III framework for the calculation of the minimum required liquidity coverage ratio (LCR), which revisions will be incorporated into the next round of amendments to the Regulations.

#### **1. Introduction**

- 1.1 On 12 December 2012 the amended Regulations were published in *Government Gazette* No. 35950, following which they became effective on 1 January 2013. The majority of the amendments were made to incorporate the Basel III framework.
- 1.2 On 7 January 2013 the BCBS released an updated framework for the calculation and implementation of the LCR.<sup>1</sup>

#### **2. Directive**

- 2.1 This Office hereby informs all relevant persons that it intends to incorporate all the relevant changes made to the LCR framework into the Regulations during the next round of regulatory amendments.

---

<sup>1</sup> BCBS, "Basel III: The Liquidity Coverage Ratio and Liquidity Risk Monitoring Tools" (Basel: BCBS, January 2013).

2.2 Banks and controlling companies are hereby directed to adhere to the revised LCR framework, as published by the BCBS, during the compliance monitoring stages of the internationally agreed liquidity standards until the regulatory framework has been updated.

**3. Acknowledgement of receipt**

3.1 Two additional copies of this directive are enclosed for the use of your institution's independent auditors. The attached acknowledgement of receipt, duly completed and signed by both the chief executive officer of the institution and the said auditors, should be returned to this Office at the earliest convenience of the aforementioned signatories.



René van Wyk  
**Registrar of Banks**

The previous directive issued was Directive 1/2013 dated 25 February 2013.